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- 5. The Vietnamese press returns periodically to the idea of a national assembly, legislative in the beginning, perhaps constitutional later.
- 6. While Buu Loc was meditating his project in the silence of Dalat, a new clandestine national congress was already meeting at saigon under the aegis of the Movement of Union and Peace. This movement is the same that called a special congress last Sep to issue an appeal to the people denouncing the agreement with France and demanding the reform of the regime.
- 7. The movement includes (in North, Center and South) various types of personalities, opportunists, the discontented of all political colorings, and its main support is from the Caodaists under General Nguyen Thanh Phuong.
- 8. Bao Dai forbade the official meeting of the congress, but it was held all the same. It was first of all in opposition to Buu Loc, not opposing Bao Dai, but presenting its suggestions to him in the form of an ultimatum. That is, the idea of a national assembly in control of the government has solid backing.
- 9. Everything now depends on how Buy Loc can get out of his difficulties, for Bao Dai does not oppose in principle elections which could bring into power a pro-Vietminh outfit. Buy Loc intends to announce an assembly during the year, but such a project acceives no one at present.
- 10. The only point of his program which can bring him, if not popular support, at least popular sympathy, is the struggle against corruption undertaken in cooperation with Dac Khe, the Champion of austerity. Never has corruption so visibly invaded every level of society. Licenses for the exportation of rice are readily financed; passports issued to men of military age. At Hanoi, American aid is used for the profit of Nguyen Huu Tri and his head of cabinet Vu Quy Mao, partly for themselves and partly for the chest of the Dai Viet; there was an \$80,000 profit on the single item of building the model village of Dong Quan. The Dai Viet has a whole regime of corruption in cooperation with the police and any kind of favor can be purchased.
- 11. The people in general are not ignorant of the fact that they are paying the bills for all this. Indifferent though they have always been, they are beginning to be conscious of what is going on. Tam was aware of the necessity of giving some catisfaction to democratic aspirations still indefinite and confused.
- 12. There has been no change with regard to the Vietminh peace proposals. Are they propagands or not? Lacking concrete proposals, the present impression given by rebel activities is that Ho Chi Minh would gladly accept an invitation to talk if the French would take the first step. The project of negotiations has been discussed by the Vietminh chiefs. The possibility of the US forming a solid bastion in Thailand as well as in Indochina by means of aid to the troubled countries has produced a reversal of views in the Asiatic Cominform. In fact, the Communists cannot ignore the efforts of MAGO to provide Bangkok with solid military forces. Again, it does not seem that Vietminh can really conquer Indochina without the direct intervention of China. All these factors militate in favor of a softening of the Vietminh attitude toward peace; and French official circles say that Ho Chi Minh intends to send a mission to New Delhi to make contact with the French.

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